From:	Udi Knaani <Udi@fwmk-law.co.il>
To:	ehbarak <ehbarak1@gmail.com>
CC:	
Date:	Wed, 5/20/2015 7:27:00 PM
Subject:	Fwd: Cortica / EB

אהוד שלום,
משהו בתקשורת איתם מוזר. אחרי כל מה שהסברתי תראה מה הוא שלח. חצי אחוז במיידי והשאר עוד שנתיים אם הם החליטו להשאיר אותך כיו"ר. הם פשוט לא מבינים.

נשלח מה-iPhone שלי

תחילת ההודעה שהועברה:

מאת: "Hanan O. Haviv" <havivh@hfn.co.il>
תאריך: 20 במאי 2015 בשעה 17:38:48 GMT+3
אל: Udi Knaani <Udi@fwmk-law.co.il>
עותק: 'igal raichelgauz' <igal.raichelgauz@cortica.com>
נושא: Cortica / EB

Hi Udi.

I understand that following our call there were additional discussions with EB and there is a mutual interest to work together. The Cortica team is obviously very excited of the opportunity to work with EB and thinks that there is a lot of potential to working together. We spent more time to refine the original proposal presented to you in order to address some of the concerns raised, and below is a package Igal feels comfortable to present to the board.

The proposal is based some key assumptions that I hope (and based on the input I received also believe) are shared:

1. The next strategic milestone for Cortica is a very significant fund raise at a high valuation to take place in the next 12-24 months.

2. Cortica is playing a game at the same level as the big guys, and the relevant valuations are the numbers we discussed (i.e. over $500m); needless to say we understand this is very ambitious but the feeling on Cortica's side is that this is exactly the contribution they are expecting from EB.

3. We understand that EB does not want to be compensated for fund raising so we put a 4 years vesting schedule. The vesting schedule is not linear for two reasons: (i) we understand that EB is brining immediate value by joining Cortica, and this is why 0.5% (BTW, by itself this is the largest option grant in the company todate) is immediately vested, and (ii) the next vesting is 2 years into the engagement (with potential early acceleration) because EB's contribution cannot be measured on a quarterly basis as these processes may take time.

I will be glad to discuss.

Regards,
Hanan

HERZOG FOX & NEEMAN
LAW OFFICE

Bio
vCard

Hanan Haviv O., Partner

Asia House, 4 Weizmann St., Tel Aviv 6423904, Israel
Phone: +972 3 692 5520 Fax: +972 3 696 6464
› havivh@hfn.co.il www.hfn.co.il unfolding.co.il

Israel Law Firm of the Year | Financial Times and mergermarket | Who's Who Legal

The information contained in this e-mail message is attorney client privileged and confidential. The information is intended only for the use of the individual or entity

named above. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone, or by e-mail and delete the message from your computer. Thank you.

Please consider the environment before printing this email

From: igal.raichelgauz@gmail.com [mailto:igal.raichelgauz@gmail.com] **On Behalf Of** igal raichelgauz
Sent: Wednesday, May 20, 2015 5:00 PM
To: Hanan O. Haviv
Subject: EB proposal

- Position – Chief Strategy Officer and Chairman of the Advisory Board reporting to the CEO

- Role - Active and ongoing involvement, including being key contributor in strategic processes, presentations to investors, participating in road shows, meetings with key clients and partners

- General expected scope – one day a week. Position with Cortica will be EB's exclusive engagement with hi-tech companies (including consumer and media business, but excluding defense)

- Investment - $1m (at least a portion personally) in current convertible loan round

- Compensation – options to purchase 2.0%-2.5% (fully diluted) vesting over 4 years

    - 0.5% vested upon issuing a PR
    - 1.0% vested after two years
    - Remainder vesting quarterly over the next two years
    - Vesting of up to 1.5% (so total vested of 2.0%) will be accelerated if the company completes a financing round of at least $75m:
        - Pre-money valuation of $400m – 0.5%
        - Pre-money valuation of$500m – 1.0%
        - Pre-money valuation of $750m – 1.5%
    - Exercise price based on valuation of $200m (minimum valuation for conversion under convertible

loan).